

Eternal

FD growth pangs continue; QC beats expectations

Overall, B2C NoV grew ~57% YoY (14.8% QoQ) to INR 231.6bn in Q2FY26 (HSIE: INR225bn). Zomato's food delivery (FD) growth pangs continue, courtesy soft discretionary spending (up 13.8% YoY to INR94.2bn vs. 13.1% in Q1). FD adj. EBITDAM (as % of NoV) improved by ~30bps to 5.3%, led by higher ad monetization, higher commissions, and an increased platform fees, partly offset by higher customer acquisition cost and reduced delivery charges. QC continued to beat growth expectations (NOV up 27% QoQ to INR116.8bn vs HSIE's INR107.8bn). In QC, adj. revenue surged to INR 98.9bn, primarily led by the pivot to the inventory ownership model (80% of NOV now on this model) with LFL adj. revenue growing 44% QoQ in Q2FY26. Margin gains from this transition were offset by increased supply chain costs, elevated marketing expenses, and accelerated network expansion. QC's adj. EBITDAM (as % of NoV) improved 42bps QoQ to -1.3% (in-line). QC's adj. EBITDA losses narrowed to INR1.56bn (vs. INR1.62bn in Q1FY26; HSIE: INR1.5bn). Consol. adj. EBITDA declined 32% YoY to INR2.24bn (HSIE: INR2.59bn) due to ongoing investment in its Going-out business and Bistro. Consol. adj. EBITDAM stood at 1.6%. We've largely maintained our adj. EBITDA estimates for FY27/28 (+3/2% resp). REDUCE rating stays with an SOTP-based TP of INR320/sh (incl. 45x Sep-27 EV/EBITDA for FD; 1.8x Sep-27 NoV for Blinkit).

- **Macro headwinds persist for FD, but margins improve:** Eternal's FD segment showed a modest recovery in Q2FY26, with NoV increasing 13.8% YoY to INR 94.2bn (vs. 13.1% in Q1; HSIE: INR 94.7bn), amid softer discretionary demand environment, increased competition from QC, and volatile weather. MTU grew 5.2% QoQ (+16.4% YoY) to 24.1mn. Take-rates (as % of NoV) improved 75bps QoQ to 30.4%, driven by higher ad monetization, higher commissions, and an increased platform fee. However, the gains were partly offset by higher customer acquisition costs and lowering of free delivery threshold for Gold members. CM/adj. EBITDAM (as % of NoV) improved by 49/31bps QoQ to 10.4/5.3% (HSIE: 9.8/5%). Adj. EBITDA grew 11.5% QoQ to INR 5.03bn (HSIE: INR 4.71bn). While management continues to stick to its long-term ambition of 20% growth in food delivery, it has conceded that mid-teens growth in the near term seems more likely, given the persistent macro headwinds.
- **Blinkit's blitz-scaling continues; pivot to inventory model nearly done:** Blinkit delivered a robust NoV growth of 26.9% QoQ (+137% YoY) to INR 116.8bn (HSIE: INR107.8bn), primarily due to expansion-led MTU growth. MTUs grew by 23.1% QoQ to 20.8mn (HSIE: 19.4mn), fueling a 26% QoQ rise in order volume to ~223mn (HSIE: 203mn). Net AOV remained largely steady at INR 524 (HSIE: INR 531). Adj. revenue surged to INR 98.9bn, reflecting the pivot to an inventory ownership model (comprising 80% of NoV), with a steady state of 90%. On an LFL basis, adj. revenue grew 44% QoQ in Q2FY26. GM expanded by 300bps QoQ due to the inventory model; gains were offset by higher supply chain expenses, now borne by Blinkit instead of sellers, higher marketing spends (up 1.4x QoQ), and accelerated network expansion. CM/adj. EBITDAM (as % of NoV) improved by 73/42bps QoQ to 4.6/-1.3% (HSIE: 3.9%/in-line). Management expects full margin benefits (~100bps) from the inventory model transition, which will be realized over the next 4-6 quarters. Adj. EBITDA losses narrowed to INR1.56bn (vs. INR1.62bn in Q1FY26; HSIE: INR1.5bn). Blinkit added 272 dark stores (net) in Q2 (store count: 1,816). Management now aims to reach a target of 2,100 stores by Dec-25 (up from 2,000 previously), with plans to reach 3,000 stores by Mar-27.
- **Valuation and outlook:** FD continues to witness subdued demand, due to softer discretionary spending, although it is improving at the margin. Meanwhile, Blinkit's blitz-scaling continues to impress us (100%+ growth for 10 quarters with most KPIs broadly intact). Most goodies seem priced in. We've largely maintained our adj. EBITDA estimates for FY27/28. REDUCE stays with an SOTP-based TP of INR320/sh (incl. 45x Sep-27 EV/EBITDA for FD; 1.8x Sep-27 NoV for Blinkit).

REDUCE

CMP (as on 16 Oct 2025)	INR 348
Target Price	INR 320
NIFTY	25,585

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 305	INR 320
Adj. EBITDA %	FY27E +3.1	FY28E +1.8

KEY STOCK DATA

Bloomberg code	ETERNAL IN
No. of Shares (mn)	9,650
MCap (INR bn) / (\$ mn)	3,357/38,202
6m avg traded value (INR mn)	13,692
52 Week high / low	INR 368/190

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	32.6	56.6	26.8
Relative (%)	31.6	48.3	24.4

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	-	-
FIs & Local MFs	26.59	30.12
FPIs	42.34	39.04
Public & Others	31.07	30.84
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Financial Summary

(INR mn)	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	1,35,900	47,990	183.2	71,670	89.6	1,21,150	2,02,430	5,44,520	8,67,089	11,54,209
EBITDA	2,390	2,260	5.8	1,150	107.8	430	6,370	8,079	20,344	33,444
APAT	650	1,760	(63.1)	250	160.0	3,520	5,270	3,129	10,484	19,421
EPS (Rs)	0.1	0.2	(66.6)	0.0	160.0	0.4	0.5	0.3	1.1	2.0
P/E (x)						838.4	622.6	1,048.7	313.0	168.9
EV/EBITDA (x)						(1,977.2)	1,107.9	1,303.5	231.5	121.5
Core RoCE(%)						4.1	5.2	2.8	5.8	8.8

Estimate changes:

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	5,44,520	3,05,805	78.1	8,67,089	3,93,558	120.3	11,54,209	4,87,043	137.0
Adj. EBITDA	11,012	12,230	(10.0)	22,292	21,630	3.1	35,127	34,501	1.8
Adj. EBITDAM (%)	2.0	4.0	-198 bps	2.6	5.5	-293 bps	3.0	7.1	-404 bps
Pre-IND AS EBITDA	2,412	3,630	(33.6)	13,692	13,030	5.1	26,127	25,501	2.5
Pre-IND AS EBITDA margin (%)	0.4	1.2	-74 bps	1.6	3.3	-173 bps	2.3	5.2	-297 bps
APAT	3,129	3,900	(19.8)	10,484	9,653	8.6	19,421	18,676	4.0
APAT margin (%)	0.6	1.3	-70 bps	1.2	2.5	-124 bps	1.7	3.8	-215 bps
EPS (Rs)	0.3	0.4	(19.8)	1.1	1.0	8.6	2.0	1.9	4.0

Note: Revenue figures are adjusted for the inventory model pivot and are therefore not like-to-like.

SOTP Valuation (Sep-27):

Eternal	Methodology	Multiple	GoV/Gross sales/EBITDA	EV (INR mn)	Per share
Food Delivery	EV/EBITDA	45.0	25,901	11,65,565	121
Quick Commerce	EV/NOV	1.8	9,01,521	16,31,753	169
Going-out	EV/GOV	1.0	1,48,221	1,48,221	15
Hyperpure	EV/Sales	0.5	63,238	31,619	3
Others	EV/Sales	0.5	139	69	0
Consol Enterprise Value				29,77,228	309
Net Debt				(1,10,747)	(11)
Consol Equity Value				30,87,975	320
No. of shares (#)					9,650
CMP					348
Upside/(Downside) (%)					(8.1)

Key takeaways from earnings call

Food Delivery

- Food delivery profitability improved this quarter, driven partly by increased platform fees, which was a response to competitors.
- The company maintained its longer-term growth target of 20%+ YoY but acknowledged current growth is closer to 15%, with a slow uptick expected.
- Growth to hinge on macroeconomic improvement and new use cases.
- The company chose to limit aggressive growth spending despite the capacity to invest more, as higher spend did not translate proportionally into higher growth due to cost-to-acquire and payback dynamics.
- The food delivery business faces headwinds from macroeconomic softness in discretionary spending and intense competition from quick commerce potentially cannibalizing food delivery growth.

Quick Commerce

- About 80% of the NoV is on own inventory, which is expected to rise to 90% in the next quarter. The balance ~10% will continue to be handled by sellers due to operational convenience.
- The transition to 1P has improved gross margins by ~300bps though first-mile supply chain costs have increased, pushing some costs above the contribution margin.
- Incremental margin gains from the business model change are expected to realize over 4-6 quarters.
- Marketing spends grew 4x YoY and 40% QoQ, mostly for new user acquisition, with some efficiency gains expected as scale increases.
- Elevated marketing spends are expected to continue as long as the company sees potential of new consumer cohort.
- Marketing spends were not driven by competitive intensity, though competitive dynamics could affect the outlook in future.
- Majority of new customers are believed to be new to Quick Commerce overall, not just the platform.
- Store additions are mainly in top 8-10 cities with small expansions in emerging cities; supply chain costs are managed carefully to avoid major backend warehousing increases in smaller cities.
- AOVs are in the similar range for smaller cities. However, margins are slightly lower in smaller cities compared to larger ones, partly due to more limited product assortment.
- The current store footprint covers ~20% of the targetable retail market geographically, with profits concentrated in top 40% of the market; the company remains cautious about geographic expansion to optimize costs and returns.
- EBITDA breakeven for Blinkit is not a specific goal currently; the adjusted EBITDA margin is an average of profitable mature parts of the business and costs of expansion in new areas.
- Certain cities in Blinkit's portfolio have EBITDA margins north of 3%.
- Management expects YoY growth to remain above 100% for the next 1-2 years.
- The company plans to expand to 2,100 stores by December quarter and 3,000 stores by March 2027.

Others

- Management expects District business to report ~30% YoY growth but absolute loss levels are likely to be range-bound around INR600-700mn in the near term.
- Most of the losses in the new initiatives fall under the Bistro business (10-min delivery service)

Summary	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
NoV (B2C business)									
Food delivery	68,190	72,340	71,890	79,280	82,810	84,430	82,100	89,670	94,230
Quick commerce	23,780	29,130	33,360	40,610	49,280	60,200	73,620	92,030	1,16,790
Going-out	5,550	7,100	8,400	10,310	15,620	21,580	18,680	20,130	20,630
Total NoV (B2C business)	97,520	1,08,570	1,13,650	1,30,200	1,47,710	1,66,210	1,74,400	2,01,830	2,31,650
NoV Mix									
Food delivery	69.9	66.6	63.3	60.9	56.1	50.8	47.1	44.4	40.7
Quick commerce	24.4	26.8	29.4	31.2	33.4	36.2	42.2	45.6	50.4
Going-out	5.7	6.5	7.4	7.9	10.6	13.0	10.7	10.0	8.9
Adjusted Revenue									
Food delivery	19,380	20,620	20,500	22,560	23,400	24,130	24,090	26,570	28,630
Hyperpure (B2B supplies)	7,450	8,590	9,510	12,120	14,730	16,710	18,400	22,950	10,230
Quick commerce	5,050	6,440	7,690	9,420	11,560	13,990	17,090	24,000	98,910
Going-out	490	730	930	950	1,540	2,590	2,290	2,070	1,890
Others	30	80	100	150	40	40	10	40	20
Total Adjusted Revenue	32,400	36,460	38,730	45,200	51,270	57,460	61,880	75,630	1,39,680
YoY (%)	53.8	54.4	60.4	62.2	58.2	57.6	59.8	67.3	172.4
B2C take rate (as % of NoV)	25.6	25.6	25.6	25.3	24.7	24.5	24.9	26.1	55.9
Food delivery	28.4	28.5	28.5	28.5	28.3	28.6	29.3	29.6	30.4
Quick commerce	21.2	22.1	23.1	23.2	23.5	23.2	23.2	26.1	84.7
Going-out	8.8	10.3	11.1	9.2	9.9	12.0	12.3	10.3	9.2
Adjusted EBITDA									
Food delivery	2,040	2,520	2,750	3,130	3,410	4,230	4,280	4,510	5,030
Hyperpure (B2B supplies)	(340)	(340)	(230)	(220)	(210)	(190)	(220)	(180)	(50)
Quick commerce	(1,250)	(890)	(370)	(30)	(80)	(1,030)	(1,780)	(1,620)	(1,560)
Going-out	10	10	(110)	100	160	(170)	(470)	(540)	(630)
Others	(50)	(50)	(100)	10	20	10	(160)	(450)	(550)
Unallocated cost									
Total Adjusted EBITDA	410	1,250	1,940	2,990	3,300	2,850	1,650	1,720	2,240
YoY (%)	(121.4)	(147.0)	(210.9)	2,391.7	704.9	128.0	(14.9)	(42.5)	(32.1)
Adjusted EBITDAM (%)									
Food delivery	10.5	12.2	13.4	13.9	3.5	4.3	4.4	4.2	4.4
Hyperpure (B2B supplies)	(4.6)	(4.0)	(2.4)	(1.8)	(1.4)	(1.1)	(1.2)	(0.8)	(0.5)
Quick commerce	(24.8)	(13.8)	(4.8)	(0.3)	(0.1)	(1.3)	(1.9)	(1.4)	(1.0)
Going-out	2.0	1.4	(11.8)	10.5	0.9	(0.7)	(2.2)	(2.3)	(2.6)
Others	(166.7)	(62.5)	(100.0)	6.7	50.0	25.0	(1,600.0)	(1,125.0)	(2,750.0)
Total Adjusted EBITDAM (%)	1.3	3.4	5.0	6.6	6.4	5.0	2.7	2.3	1.6

Key performance indicators

KPIs	2QFY25	1QFY26	2QFY26	YoY (%)	QoQ (%)	2QFY26E	Variance (%)
Food Delivery							
Avg. MTUs (mn)	20.7	22.9	24.1	16.4	5.2	23.5	2.7
NoV (INR mn)	82,810	89,670	94,230	13.8	5.1	94,687	(0.5)
Gross revenue (INR mn)	23,400	26,570	28,630	22.4	7.8	27,743	3.2
Take rate (% of NoV)	28.3	29.6	30.4	213 bps	75 bps	29.3	108 bps
Contribution profit (INR mn)	7,350	8,850	9,760	32.8	10.3	9,311	4.8
CM (%)	8.9	9.9	10.4	148 bps	49 bps	9.8	52 bps
Adjusted EBITDA (INR mn)	3,410	4,510	5,030	47.5	11.5	4,711	6.8
Adj EBITDAM (As % of NoV)	4.1	5.0	5.3	122 bps	31 bps	5.0	36 bps
Quick Commerce							
Avg. MTUs (mn)	8.9	16.9	20.8	133.7	23.1	19.4	7.0
Ordering frequency/month (x)	3.5	3.5	3.6	2.6	2.4	3.5	2.6
Orders (mn)	92.9	176.7	222.7	139.7	26.0	203	9.8
Net AoV (INR)	531	521	524	(1.3)	0.6	531	(1.3)
NoV (INR mn)	49,280	92,030	1,16,790	137.0	26.9	1,07,771	8.4
Gross revenue (INR mn)	11,560	24,000	98,910	755.6	312.1	27,169	264.1
Take rate (% of NoV)	23.5	26.1	84.7	6123 bps	5861 bps	25.2	5948 bps
Contribution profit (INR mn)	2,340	3,600	5,420	131.6	50.6	4,246	27.7
Contribution margin (%)	4.7	3.9	4.6	-11 bps	73 bps	3.9	70 bps
Adjusted EBITDA (INR mn)	(80)	(1,620)	(1,560)	1,850.0	(3.7)	(1,496)	4.3
Adj EBITDAM (As % of NoV)	(0.2)	(1.8)	(1.3)	-117 bps	42 bps	(1.4)	5 bps
Going out							
NoV (INR mn)	15,620	20,130	20,630	32.1	2.5	22,546	(8.5)
Gross revenue (INR mn)	1,540	2,070	1,890	22.7	(8.7)	2,389	(20.9)
Take rate (% of NoV)	9.9	10.3	9.2	-70 bps	-112 bps	10.6	-143 bps
Adjusted EBITDA (INR mn)	160	(540)	(630)	(493.8)	16.7	(225)	179.4
Adj EBITDAM (As % of NoV)	1.0	(2.7)	(3.1)	-408 bps	-37 bps	(1.0)	-205 bps
Hyperpure							
Revenue (INR mn)	14,730	22,950	10,230	(30.5)	(55.4)	25,245	(59.5)
Gross Profit (INR mn)	1,390	110	972			3,282	
Gross Margin (%)	9.4	0.5	9.5			13	
Adjusted EBITDA (INR mn)	(210)	(180)	(50)	(76.2)	(72.2)	(227)	(78.0)
Adj EBITDAM (As % of Revenue)	(1.4)	(0.8)	(0.5)	94 bps	30 bps	(0.9)	41 bps
Others							
Revenue (INR mn)	40	40	20	(50.0)	(50.0)	42	(52.4)
Adjusted EBITDA (INR mn)	20	(450)	(550)	(2,850.0)	22.2	(168)	227.4
Adj EBITDAM (As % of Revenue)	50.0	(1,125.0)	(2,750.0)	-280000 bps	-162500 bps	(400.0)	-235000 bps

Income Statement

Year End (March)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	4,660	12,774	25,146	19,800	41,900	73,370	1,21,150	2,02,430	5,44,520	8,67,089	11,54,209
Growth (%)		174.1	96.9	(21.3)	111.6	75.1	65.1	67.1	169.0	59.2	33.1
Material Expenses	-	166	1,089	1,919	5,246	13,952	28,820	55,650	51,828	52,240	67,912
Employee Expense	2,765	6,008	7,989	7,408	16,331	14,650	16,590	25,580	31,480	83,988	1,09,351
A&P Expense	811	12,360	13,384	5,271	12,168	12,274	14,320	19,720	53,045	84,469	1,12,439
Outsourced support cost	440	13,301	20,938	5,898	1,724	2,969	3,300	5,700	15,333	24,415	32,500
Delivery and related charges					18,141	25,369	39,150	57,280	1,43,188	2,28,011	3,03,513
Other Expenses	1,429	3,726	5,694	4,115	6,822	13,683	18,540	32,130	2,41,568	3,73,622	4,95,050
EBITDA	(784)	(22,787)	(23,948)	(4,810)	(18,532)	(9,527)	430	6,370	8,079	20,344	33,444
EBITDA Growth (%)		2,805.8	5.1	(79.9)	285.3	(48.6)	(104.5)	1,381.4	26.8	151.8	64.4
EBITDA Margin (%)	(16.8)	(178.4)	(95.2)	(24.3)	(44.2)	(13.0)	0.4	3.1	1.5	2.3	2.9
Adjusted EBITDA		(21,400)	(22,100)	(3,200)	(9,800)	(12,360)	3,720	10,790	11,012	22,292	35,127
Adjusted EBITDAM (% of GoV)		(39.7)	(19.7)	(3.4)	(4.6)	(3.6)	0.8	1.4	0.9	1.4	1.7
Pre-IND AS 116 EBITDA		(22,400)	(23,085)	(4,621)	(18,579)	(17,420)	(1,430)	2,810	2,412	13,692	26,127
Pre-IND AS 116 EBITDAM (%)		(175.4)	(91.8)	(23.3)	(44.3)	(23.7)	(1.2)	1.4	0.4	1.6	2.3
Depreciation	291	431	842	1,377	1,503	4,369	5,260	8,630	15,015	17,430	19,291
EBIT	(1,076)	(23,219)	(24,790)	(6,187)	(20,035)	(13,896)	(4,830)	(2,260)	(6,937)	2,914	14,153
Other Income (Including EO Items)	210	12,851	160	(2,001)	7,923	6,816	8,470	10,770	13,450	13,659	14,616
Interest	63	87	126	101	120	487	720	1,540	2,332	2,562	2,816
PBT	(929)	(10,455)	(24,757)	(8,289)	(12,232)	(7,567)	2,920	6,970	4,181	14,010	25,954
Total Tax	-	-	-	13	20	(436)	(600)	1,700	1,052	3,526	6,533
PAT before share of associate earnings	(929)	(10,455)	(24,757)	(8,302)	(12,252)	(7,131)	3,520	5,270	3,129	10,484	19,421
Share of associate earnings	-	-	-	-	3	(3)	-	-	-	-	-
RPAT	(929)	(10,455)	(24,757)	(8,302)	(12,249)	(7,134)	3,520	5,270	3,129	10,484	19,421
Exceptional Gain/(loss)	-	11,999	(1,220)	(3,248)	2,974	1	-	-	-	-	-
Adjusted PAT	(929)	(22,454)	(23,537)	(5,055)	(15,223)	(7,135)	3,520	5,270	3,129	10,484	19,421
APAT Growth (%)		2,317.3	4.8	(78.5)	201.2	(53.1)	(149.3)	49.7	(40.6)	235.1	85.2
Adjusted EPS (Rs)	(0.3)	(6.0)	(5.4)	(0.9)	(2.0)	(0.9)	0.4	0.5	0.3	1.1	2.0
EPS Growth (%)		1,986.6	(9.9)	(82.5)	111.5	(57.2)	(147.5)	34.7	(40.6)	235.1	85.2

Balance Sheet

Year End (March)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
SOURCES OF FUNDS											
Share Capital - Equity	0	0	0	0	7,643	8,364	8,680	9,070	9,070	9,070	9,070
Reserves	12,104	25,993	7,098	80,987	1,57,412	1,86,234	1,95,450	2,94,100	2,97,229	3,07,713	3,27,134
Total Shareholders Funds	12,105	25,994	7,098	80,987	1,65,055	1,94,598	2,04,130	3,03,170	3,06,299	3,16,783	3,36,204
Minority Interest		(314)	(65)	(57)	(66)	(66)	(70)	(70)	(70)	(70)	(70)
Long Term Debt	13	13	15	-	-	58	-	-	-	-	-
Short Term Debt	-	-	-	14	-	346	-	-	-	-	-
Total Debt	13	13	15	14	-	404	-	-	-	-	-
Net Deferred Taxes	-	-	-	-	-	2,495	1,880	2,120	2,120	2,120	2,120
Other Non-current Liabilities & Provns	105	1,232	14,581	851	706	4,710	7,520	20,460	21,820	24,001	26,401
TOTAL SOURCES OF FUNDS	12,223	26,925	21,628	81,795	1,65,695	2,02,141	2,13,460	3,25,680	3,30,169	3,42,834	3,64,655
APPLICATION OF FUNDS											
Net Block	656	1,091	3,152	2,309	1,308	11,990	10,410	18,770	19,947	18,572	14,422
CWIP	7	3	2	-	6	75	180	510	510	510	510
Other Non-current Assets	1,712	3,341	13,616	43,666	65,646	72,816	64,740	1,10,740	1,09,662	1,08,708	1,07,969
Total Non-current Assets	2,376	4,435	16,770	45,975	66,960	84,881	75,330	1,30,020	1,30,119	1,27,790	1,22,901
Inventories	-	21	37	148	397	827	880	1,760	10,443	23,756	31,622
Debtors	261	703	1,231	1,299	1,599	4,569	7,940	19,460	44,887	68,864	88,505
Other Current Assets	549	5,136	4,127	8,525	41,382	47,896	25,650	36,930	89,510	1,42,535	1,89,733
Cash & Equivalents	9,296	23,832	6,838	31,089	62,932	77,814	1,23,760	1,68,060	1,37,387	1,10,747	1,06,083
Total Current Assets	10,106	29,694	12,234	41,061	1,06,310	1,31,106	1,58,230	2,26,210	2,82,227	3,45,902	4,15,943
Creditors	674	3,762	2,687	2,972	4,288	6,798	8,860	15,360	41,317	65,793	87,579
Other Current Liabilities & Provns	764	3,442	4,688	2,269	3,287	7,048	11,240	15,190	40,860	65,065	86,610
Total Current Liabilities	1,438	7,204	7,375	5,240	7,575	13,846	20,100	30,550	82,177	1,30,858	1,74,189
Net Current Assets	8,669	22,490	4,858	35,820	98,735	1,17,260	1,38,130	1,95,660	2,00,050	2,15,044	2,41,754
TOTAL APPLICATION OF FUNDS	11,045	26,925	21,628	81,795	1,65,695	2,02,141	2,13,460	3,25,680	3,30,169	3,42,834	3,64,655

Cash Flow Statement

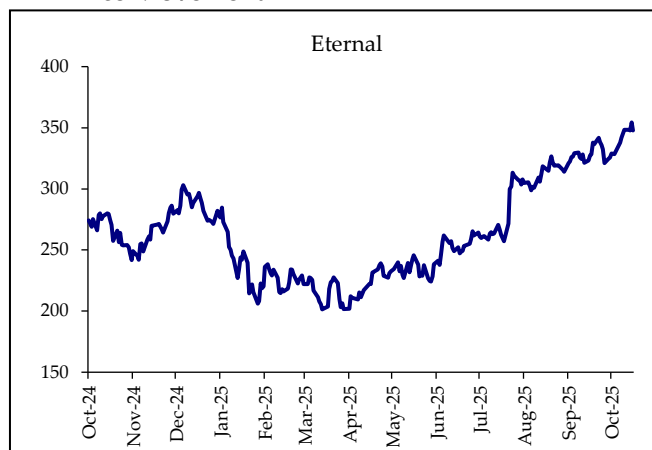
Year ending March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Reported PBT	(1,069)	(10,105)	(23,856)	(8,151)	(12,205)	(10,146)	2,910	6,970	4,181	14,010	25,954
Non-operating & EO Items	48	(9,359)	1,767	3,953	1,474	(646)	(1,860)	(450)	(13,450)	(13,659)	(14,616)
Interest Expenses	6	1	0	22	7	50	20	40	2,332	2,562	2,816
Depreciation	291	431	842	1,377	1,503	4,369	5,260	8,630	15,015	17,430	19,291
Working Capital Change	76	1,879	131	(7,567)	2,483	(1,759)	1,180	(10,930)	(35,063)	(41,634)	(31,374)
Tax Paid	(46)	(277)	(321)	186	(192)	(308)	(1,050)	(1,180)	(1,052)	(3,526)	(6,533)
OPERATING CASH FLOW (a)	(693)	(17,429)	(21,436)	(10,179)	(6,930)	(8,440)	6,460	3,080	(28,036)	(24,817)	(4,462)
Capex	(66)	(687)	117	(308)	(558)	(1,621)	(2,020)	(29,360)	(9,984)	(8,943)	(7,013)
Free Cash Flow (FCF)	(760)	(18,116)	(21,319)	(10,487)	(7,488)	(10,061)	4,440	(26,280)	(38,020)	(33,760)	(11,475)
Investments	(8,233)	(12,205)	16,984	(52,237)	(76,196)	8,794	(7,630)	(58,760)	-	-	-
Non-operating Income	93	149	250	109	(2,624)	(2,600)	6,180	8,190	8,318	7,501	7,227
INVESTING CASH FLOW (b)	(8,206)	(12,743)	17,352	(52,436)	(79,378)	4,573	(3,470)	(79,930)	(1,665)	(1,442)	214
Debt Issuance/(Repaid)	(277)	(2)	(0)	(48)	(20)	(324)	(420)	(40)	(2,332)	(2,562)	(2,816)
FCFE	(9,176)	(30,174)	(4,084)	(62,664)	(86,328)	(4,191)	2,570	(76,890)	(32,033)	(28,821)	(7,064)
Share Capital Issuance	-	-	-	-	-	-	310	84,510	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-
Others	(10)	8,685	(309)	(205)	(298)	(1,055)	(1,960)	(4,050)	1,360	2,181	2,399
FINANCING CASH FLOW (c)	(286)	8,683	(309)	(253)	(318)	(1,379)	(2,070)	80,420	(971)	(381)	(416)
NET CASH FLOW (a+b+c)	(9,186)	(21,489)	(4,393)	(62,868)	(86,626)	(5,246)	920	3,570	(30,673)	(26,640)	(4,665)
EO Items, Others											
Closing Cash & Equivalents	1,004	2,124	1,672	3,065	3,923	2,181	3,090	6,660	(24,013)	(50,653)	(55,317)

Key Ratios

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
PROFITABILITY (%)											
GPM	100.0	98.7	95.7	90.3	87.5	81.0	76.2	72.5	90.5	94.0	94.1
EBITDA Margin	(19.8)	(178.4)	(95.2)	(24.3)	(44.2)	(13.0)	0.4	3.1	1.5	2.3	2.9
Pre-IND-AS EBITDA Margin (%)		(186.2)	(99.2)	(31.5)	(65.2)	(23.7)	(1.2)	1.4	0.4	1.6	2.3
Adj. EBITDAM (%)		(167.5)	(87.9)	(16.2)	(23.4)	(16.8)	3.1	5.3	2.0	2.6	3.0
EBIT Margin	(26.1)	(181.8)	(98.6)	(31.2)	(47.8)	(18.9)	(4.0)	(1.1)	(1.3)	0.3	1.2
APAT Margin	(19.9)	(175.8)	(93.6)	(25.5)	(36.3)	(9.7)	2.9	2.6	0.6	1.2	1.7
RoE		(117.9)	(142.3)	(11.5)	(12.4)	(4.0)	1.8	2.1	1.0	3.4	5.9
RoIC (or Core RoCE)		(771.5)	(277.3)	(18.9)	(26.1)	(5.9)	4.1	5.2	2.8	5.8	8.8
RoCE		(114.3)	(96.4)	(9.6)	(12.2)	(3.6)	2.1	2.4	1.5	3.7	6.1
RoE*		(123.8)	(148.2)	(11.4)	(12.4)	(4.0)	1.8	2.1	1.0	3.3	5.8
EFFICIENCY											
Tax Rate (%)	-	-	-	(0.3)	(0.1)	5.8	(20.5)	24.4	25.2	25.2	25.2
Fixed Asset Turnover (x)	9.3	13.3	22.8	17.4	30.1	20.2	22.9	15.1	23.6	27.5	30.2
Inventory (days)	-	0.6	0.5	2.7	3.5	4.1	2.7	3.2	7.0	10.0	10.0
Debtors (days)	20.4	20.1	17.9	23.9	13.9	22.7	23.9	35.1	30.1	29.0	28.0
Other Current Assets (days)	43.0	146.8	59.9	157.2	360.5	238.3	77.3	66.6	60.0	60.0	60.0
Payables (days)	52.8	107.5	39.0	54.8	37.4	33.8	26.7	27.7	27.7	27.7	27.7
Other Current Liab & Provsns (days)	59.8	98.3	68.0	41.8	28.6	35.1	33.9	27.4	27.4	27.4	27.4
Cash Conversion Cycle (days)	(49.2)	(38.4)	(28.7)	87.2	311.9	196.2	43.3	49.8	42.0	43.9	42.9
Net D/E (x)	(0.8)	(0.9)	(1.0)	(0.4)	(0.4)	(0.4)	(0.6)	(0.6)	(0.4)	(0.3)	(0.3)
Interest Coverage (x)	(16.9)	(267.2)	(196.2)	(61.4)	(167.0)	(28.5)	(6.7)	(1.5)	(3.0)	1.1	5.0
PER SHARE DATA (Rs)											
EPS	(0.3)	(6.0)	(5.4)	(0.9)	(2.0)	(0.9)	0.4	0.5	0.3	1.1	2.0
CEPS	(0.2)	(5.9)	(5.2)	(0.6)	(1.6)	0.3	1.8	2.8	4.3	5.7	7.2
Dividend											
Book Value	3.7	6.9	1.6	15.1	21.6	23.3	23.5	31.4	31.7	32.8	34.8
VALUATION											
P/E (x)	(1,185.9)	(56.8)	(63.1)	(361.0)	(170.7)	(398.6)	838.4	622.6	1,048.7	313.0	168.9
P/BV (x)	91.0	49.1	209.2	22.5	15.7	14.6	14.5	10.8	10.7	10.4	9.8
EV/EBITDA (x)	(791.8)	(55.0)	(61.7)	(372.9)	(136.8)	(158.8)	(1,977.2)	1,107.9	1,303.5	231.5	121.5
EV/Revenues (x)	133.2	98.0	58.8	90.6	60.5	37.7	23.3	15.4	5.8	3.7	2.8
OCF/EV (%)	(0.1)	(1.4)	(1.5)	(0.6)	(0.3)	(0.3)	0.2	0.1	(0.9)	(0.8)	(0.1)
FCF/EV (%)	(0.1)	(1.4)	(1.4)	(0.6)	(0.3)	(0.4)	0.2	(0.8)	(1.2)	(1.1)	(0.4)
FCFE/Mkt Cap (%)	(1.5)	(2.4)	(0.3)	(3.4)	(3.3)	(0.1)	0.1	(2.3)	(1.0)	(0.9)	(0.2)
Dividend Yield (%)	-	-	-	-	-	-	-	-	-	-	-

Source: Company, HSIE Research

1 Yr Price Movement



Rating Criteria

BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

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